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ACTION ARA-10

INFO OCT-01 ISO-00 DHA-02 EB-08 CIAE-00 DODE-00 PM-04
H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01
SF-02 SS-15 /060 W
-----252324Z 114952 /13

P 252045Z APR 77
FM AMEMBASSY BUENOS AIRES
TOSECSTATE WASHDC PRIORITY 0204

~~SECRET~~ SECTION 1 OF 2 BUENOS AIRES 3052

E.O. 11652: GDS-2
TAGS: PINS SHUM ELAB AR
SUBJECT: GRAIVER/TIMERMAN INVESTIGATION AND RELATED
REF: BUENOS AIRES 2948

1. WHILE A MORE CONCLUSIVE JUDGMENT MUST AWAIT A DETAILED REVELATION OF WHAT EVIDENCE THE GOA HAS DEVELOPED IN THE GRAIVER CASE, WE FIND IT SIGNIFICANT THAT INQUIRIES BY THE EMBASSY LEGATT INVARIABLY HAVE ELICITED RESPONSES FROM USUAL SOURCES IN ARMY INTELLIGENCE (601ST ARMY INTELLIGENCE BATTALION SIE), BUENOS AIRES PROVINCIAL POLICE AND FEDERAL POLICE THAT THEY HAVE UNCOVERED NO RPT NO INFORMATION TO SUPPORT THESIS THAT THE MONTONEROS "LAUNDERED" THEIR FUNDS THROUGH GRAIVER FINANCIAL INSTITUTIONS OR HAD ANY OTHER FINANCIAL LINKS TO GRAIVER.

2. LA RAZON OF APR 18 REPORTED THE INVESTIGATION HAD REVEALED THAT, IN ORDER TO REINFORCE THEIR ATTEMPT TO ENSURE THAT DAVID GRAIVER WOULD DO THEIR BIDDING, THE MONTONEROS KIDNAPPED HIS BROTHER ISIDORO (FOR RANSOM) ON ONE OCCASION AND ATTEMPTED TO ROB GRAIVER'S BANCO COMERCIAL DE LA PLATA ON ANOTHER OCCASION. TO LEGATT'S INFORMATION, THE KIDNAPPING REPORT IS PROBABLY A REFERENCE TO A SUCCESSFUL EXTORTION PERPETRATED IN 1972 NOT BY MONTONEROS BUT BY BUENOS AIRES PROVINCIAL POLICEMEN WHO

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POSING AS MONTONEROS AND WITH THE APPROVAL OF THE GOVERNOR AT THE TIME, OBTAINED \$800,000 IN EXCHANGE FOR FREEING ISIDORO.

3. CLARIN OF APR 18 REPORTED THE ASSERTION APPEARING A DAY EARLIER IN "LA NUEVA PROVINCIA" OF BAHIA BLANCA THAT, FOLLOWING PAYMENT BY THE BORN FAMILY (OF THE BUNGE AND BORN COMBINE) INTO A SWISS BANK ACCOUNT FOR THE RANSOM OF JUAN AND JORGE BORN IN SEPTEMBER 1974, FORMER PERONIST ECONOMY MINISTER JOSE BRON IN SEPTEMBER 1974, FORMER PERONIST ECONOMY MINISTER JOSE BER GELBARD AND DAVID GRAIVER MET WITH MONTONERO LEADER ROBERTO QUIETO IN BUENOS AIRES AND ALLEGEDLY PUT THE FINAL TOUCHES TO A FINANCIAL COMMITMENT BETWEEN THE MONTONEROS AND "THE GELBARD-GRAIVER GROUP." WE UNDERSTAND, HOWEVER, THAT THE BULK OF THE \$30-60 MILLION RANSOM REPORTEDLY PAID FOR THE BORN BROTHERS WAS EFFECTED BY BANK TRANSFERS IN EUROPE AND DID NOT HAVE TO BE "LAUNDERED" OUT OF ARGENTINA THROUGH AN ARGENTINE BANK. MOREOVER, ROBERTO QUIETO IN BUENOS AIRES AND ALLEGEDLY PUT THE FINAL TOUCHES TO A FINANCIAL COMMITMENT BETWEEN THE MONTONEROS AND "THE GELBARD-GRAIVER GROUP." WE UNDERSTAND, HOWEVER, THAT THE BULK OF THE \$30-60 MILLION RANSOM REPORTEDLY PAID FOR THE BORN BROTHERS WAS EFFECTED BY BANK TRANSFERS IN EUROPE AND DID NOT HAVE TO BE "LAUNDERED" OUT OF ARGENTINA THROUGH AN ARGENTINE BANK. MOREOVER, ROBERTO QUIETO, WHO HAS BEEN COOPERATING FULLY WITH ARGENTINE AUTHORITIES SINCE HIS DETENTION IN DECEMBER 1975, TOLD HIS CAPTORS THAT THE MONTONEROS MAINTAINED A SWISS BANK ACCOUNT CONTAINING

~~NSC Declassification Review [EO 13526]
DECLASSIFY IN PART
by John Powers on 2/15/2016~~

~~Department of State, A/GIS/IPS/SRP
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Declassified Case: 17X= 8706 Date: 05-30-2013

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CONCLUSIONS

Abstract

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INFO OCT-01 ISO-00 DHA-02 EB-08 CIAE-00 DODE-00 PM-04
H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01
SP-02 SS-15 /060 W

P 252045Z APR 77
FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC PRIORITY 0205

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6. ON APRIL 22 ACOBO TIMERMAN'S NAME APPEARED ON A LIST RELEASED BY THE INTERIOR MINISTRY OF 105 PERSONS WHO HAVE BEEN ARRESTED SINCE APRIL 6 AND ARE BEING HELD AT THE DISPOSITION OF THE OF THE PEN (EXECUTIVE POWER). TIMERMAN WAS THE ONLY PERSON ON THE LIST WHOSE ARREST WAS ATTRIBUTED TO "ECONOMIC CRIMES" ALONE. EIGHTY-NINE PERSONS ON THE LIST ARE ACCUSED OF "ECONOMIC CRIMES IN CONNIVANCE WITH SUBVERSION." AND 15 ARE CHARGED SIMPLY WITH "SUBVERSION." PREVIOUSLY, THE ARMY'S I CORPS, IN ANSWERING A HABEAS CORPUS REQUEST, HAD STATED THAT TIMERMAN WAS BEING HELD UNDER LAW 21,460, WHICH IS THE NATIONAL SECURITY LAW PERTAINING TO SUBVERSIVE CRIMES. THE CHANGE IN THE LEGAL JUSTIFICATION FOR HOLDING TIMERMAN SUGGESTS THAT THE ARMY IS UNABLE TO MAKE THE CHARGE OF SUBVERSION STICK AND MAY BE FALLING BACK TO THE LESS SERIOUS ACCUSATION CIRCULATING AGAINST TIMERMAN IN RECENT WEEKS THAT HE, LIKE HUNDREDS OR PROBABLY THOUSANDS OF HIS COUNTRYMEN, HAS ILLEGAL DOLLAR ACCOUNTS ABROAD. THE PARTICULAR CHARGE AGAINST TIMERMAN SEEMS TO BE THAT HE, ALONG WITH OTHER PROMINENT ARGENTINE NEWS, TRADE UNION LEADERS, PERONISTS AND OTHERS, INCLUDING COMMENTATOR BERNARDO NEUSTADT, EDGARDO SAJON, EXCOT LEADER CASILDO HERRERAS AND EXPROVISONAL PRESIDENT OF THE SENATE ITALO LUDER, GOT THEIR MONEY OUT THROUGH THE GRAIVER BANKS. MILITARY AUTHORITIES MAY ARGUE THAT IT WAS LEGITIMATE TO HAUL IN TIMERMAN IN ORDER TO CHECK OUT FURTHER HIS CONNECTIONS WITH GRAIVER AND, PRESUMABLY HAVING FAILED TO PROVE ANY SUBVERSIVE LINK, TO CONTINUE HOLDING HIM ON THE BASIS

CLAIMS

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OF NEW REVELATIONS CONCERNING "ECONOMIC CRIMES," HOWEVER, THIS PROCEDURE SMACKS OF ARBITRARINESS AND RAISES OUR SUSPICIONS REGARDING THE MOTIVES INVOLVED. PARTICULARLY IF OUR INFORMATION IS CORRECT CONCERNING THE ABSENCE OF ANY FINANCIAL LINKS BETWEEN GAYRER AND THE MONTONEROS, THE VIEW ABROAD OF TIERMAN AND HIS NEWSPAPER AS A HYSTERIA-POSSESSED HEADLINE ANTISEMITIC AND ANTIPRISONIST ELEMENTS IN THE ARMY AND PROVINCIAL POLICE, UNDOUBTEDLY WILL BE STRENGTHENED.

7. THE APRIL 24 ISSUE OF LA NUEVA PROVINCIA CHARGED THAT THE PRINCIPAL INVESTORS IN GRAIVER'S LA PLATA BANK WERE FORMER PRESIDENT JUAN PERON, HIS WIFE ISABEL, HERRERAS, AUTOMOBILE UNION (SMATA) LEADER JOSE RODRIGUEZ, SAJON, EXPANSION LANUSSES'S TWO SONS AND OTHERS. THE ARGENTINE GOVERNMENT RECENTLY REQUESTED INTERPOL TO LOCATE AND ARREST HERRERAS FOR ALLEGEDLY FRAUDULENT THE CGT OF LARGE AMOUNTS OF TRAVEL AND OTHER OFFICIAL MONIES. IN A RELATED DEVELOPMENT, SIX PERSONS IMPLICATED IN THE GRAIVER CASE AND WHO RECENTLY WERE INCLUDED IN THE ACT OF INSTITUTIONAL RESPONSIBILITY HAVE HAD THEIR BANK ACCOUNTS FROZEN BY THE CENTRAL BANK.

8. LA OPINION'S SUBDIRECTOR ENRIQUE JARA WAS RELEASED APR 23

WITHOUT CHARGES.

9. NOTWITHSTANDING THE PROMISES TO CARRY OUT THE CURRENT INVESTIGATION "TO ITS ULTIMATE CONSEQUENCES," IT HAS BEEN REPORTED THAT THE ARMY HAS REJECTED GENERAL VILAS' REQUEST TO CONVENE A SPECIAL MILITARY COURT OF HONOR TO REVIEW EX-PRESIDENT LANUSSE'S STATEMENTS IN CONNECTION WITH THE DISAPPEARANCE OF HIS FORMER CIVILIAN AIDE EDGARDO SAJON. ACCORDING TO OUR INFORMATION, LANUSSE QUIETLY LET IT BE KNOWN TO PRESIDENT VIDELA THAT IF HE WERE MADE TO STAND TRIAL HE WOULD BE COMPELLED TO REVEAL HIS FILES IMPLICATING HIGH-RANKING ARGENTINE MILITARY OFFICERS IN CROOKED FINANCIAL SCHEMES INCLUDING THE FAMOUS SHIP SCANDAL INVOLVING ADMIRAL GNAVI AND OTHERS.

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Document Information	
DOC_NBR	1977BUENOS03052
FILM	D770144-0171

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